UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

STONEX GROUP INC. and STONEX
FINANCIAL INC.,
                              Plaintiffs,

- against -

HOWARD SHIPMAN,
                              Defendant.

Case No. _____

DECLARATION OF EVAN PFEUFFER IN SUPPORT OF PLAINTIFFS' MOTION FOR A TEMPORARY RESTRAINING ORDER

I, Evan Pfeuffer, hereby declare as follows,

1.   I am Managing Director, Co-head of Quantitative Strategies for Plaintiffs StoneX Group Inc. and StoneX Financial Inc. (collectively "StoneX" or the "Company"). I am a member of the quantitative strategies ("Quant Group") where I worked with Howard Shipman on the development of NMS market-making strategies. I have personal knowledge of the facts set forth herein and, if called to do so, could competently testify thereto.

2.   I have worked at StoneX since February 2021 and have served in my current role since then. I report to Christopher Amato, Managing Director of Principal Equity Development.

3.   I worked on Project "Pascal" within StoneX's Financial Inc.'s Principal Equities Group (the "Quant Group"). The Pascal code comprises three main components, codenamed: "Alabama," "Texas," and "Tampa."

4.   At a high level:

███
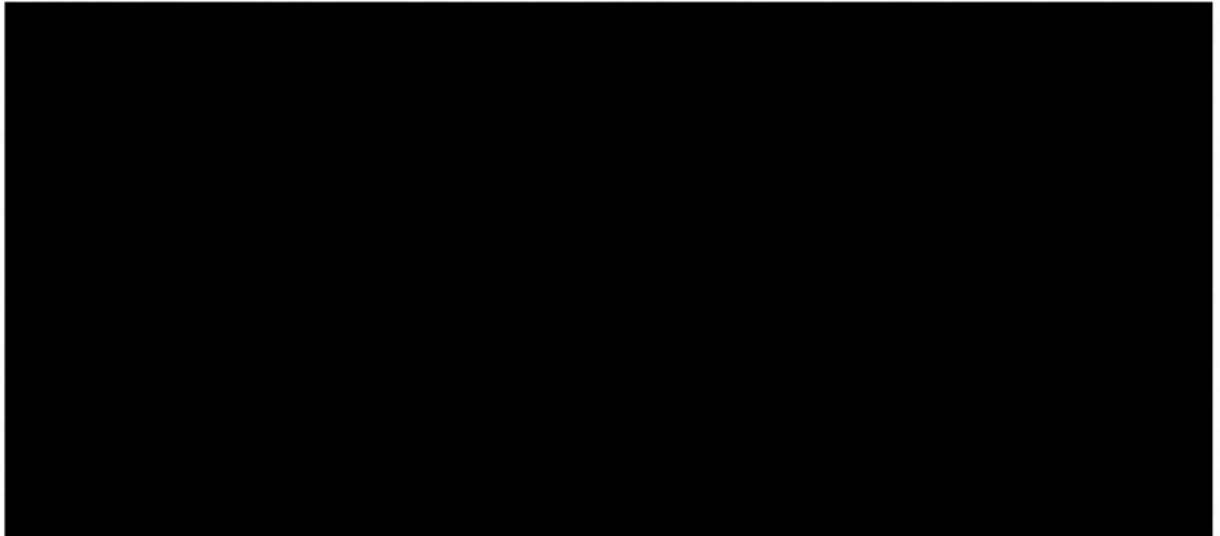
5.   These components that make up Pascal are stored in a code "repository," which is an archive of computer source code, stored on servers (cloud or physical).

6.   The source code itself is not used to operationally run Pascal. Instead, a "compiled" executable version of the source code is created and used in daily operations. For example, when an individual buys a copy of Microsoft Word and installs it on their system, they have an operational copy of the program, but they do not have the underlying source code for Microsoft Word. Microsoft retains the source code so that it retains exclusive control over the program. If Microsoft provided individual users with the source code, anyone with a copy could replicate and distribute it without Microsoft's control.

7.   Shipman was the primary developer of Texas.

8.   Pascal's computer code was written on StoneX's Pascal Azure servers, ████████

███

9.   I also consulted on Project "Darwin" the Quant Group. Darwin was designed to ███

███

████████ All of the computer code for Darwin was intended to be – and was in fact – developed by StoneX employees.

10.   On or about January 27, 2022, Shipman presented project Darwin for approval in a meeting with Thomas Moore and Jake Rappaport, which I attended.

11.   Subsequent to this presentation, Shipman's supervisor, Thomas Moore, approved project Darwin.

12.   ██

██

13.   Darwin ████████████ was the analytical "brains" of the code that utilized

████████████

14.   The development of "Darwin" had advanced significantly enough that on December 9, 2022, Shipman's termination date, he provided a virtual presentation of Darwin to the current Quant Team. In that presentation, Shipman:

    a. Demonstrated Darwin's operation in a test environment,

    b. Presented portions of Darwin's source code,

    c. Edited, compiled and re-ran portions of the source code to demonstrate its use and specific features including the design, editing and running of a new calculator, and

    d. Stated that he would be sharing the source code with the rest of the team later that day or Monday, December 12th.

15.   Subsequent to Shipman's termination and after investigation and discussions with other members of the Quant Team, I have been unable to locate a copy of the Darwin source code as presented on December 9th on any of the Azure severs or any of StoneX's systems or repositories.

16.   Upon information and belief, Shipman did not share a copy of the Darwin source code with anyone at StoneX. He promised me on multiple occasions that he would share the Darwin code with me, but as of his termination, he did not.

17.   Following Shipman's termination, on December 10, 2022, I contacted Shipman to say 'goodbye' after years of working together at StoneX.

18.   During that phone call, Shipman stated that StoneX should expect a "shit show" on Monday morning. When I asked Shipman what he meant, or if Shipman would help me or StoneX avoid the impending "shit show," Shipman refused to help and stated that he would do nothing to assist StoneX or me.

19.   StoneX shortly thereafter discovered that Shipman had structured Pascal in a way where it would not run correctly in his absence. Fortunately, StoneX was able to resolve the issue without any disruption to the running of Pascal.

I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing statements are true and correct to the best of my knowledge.

Dated: Tampa, Florida
        January 18, 2023

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Evan Pfeuffer